

IPO TENTIAL

PINTAS

THE LATEST ASEAN INTELLECTUAL PROPERTY UPDATE



IN THIS EDITION

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MORE CAPABLE TO ASSIST
VULNERABLE INTELLECTUAL
PROPERTY (IP) OWNERS.**

Mid Autumn Festival 2022

Greetings from Pintas IP Group.

Pintas IP Group wishes you a joyous celebration and prosperous days ahead. Also, we are monitoring closely new directions from IP Offices in Asean countries.

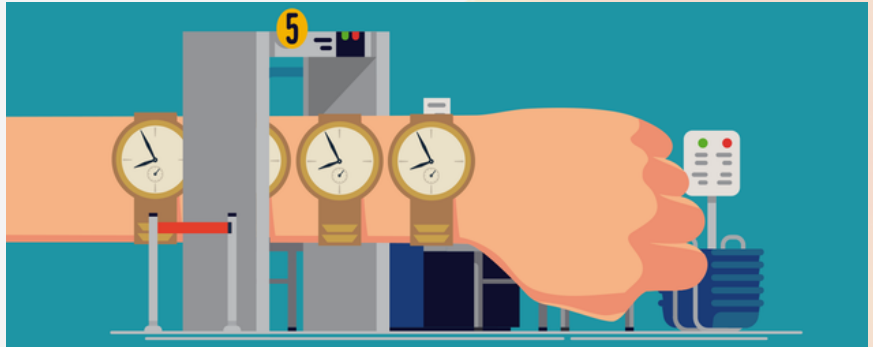
In the interim, we are giving our best endeavors in ensuring operational continuity for your Asean IP needs through our customer service and e-services platforms, Pintas Digital Platform (ecommerce) and IP Hall Case Management System (management and monitoring module) accessible 24 hours every day.

Once again we thank you for your continued support in this uncertain time, our thoughts go out to those who have been affected by this difficult time and we pray for your good health and well-being.

LATEST DEVELOPMENT ON PARALLEL IMPORTATION AND TRADEMARK LAW IN MALAYSIA

What are Parallel Imports?

Parallel imports (known as grey market goods) refer to goods which are lawfully manufactured overseas but bypass the official franchise holders or distributors import into and sell in the country without the authorisation of the registered proprietor of the trademark in that particular country.



Legality of Parallel Imports in light of Trademark Law in Malaysia

Malaysian Trademark Law generally does not prohibit parallel importation. In particular, Section 40 (1)(d) and (dd) of the TMA 1976 “legalise” parallel importation by providing that parallel imports are permitted if the registered proprietor has:

- Legitimately applied the registered mark on the goods and such mark has not been subsequently removed (Section 40(1)(d)); or
- Expressly or impliedly consented to the use of the mark (Section 40(1)(dd)).

Section 40(1) is closely related to the principle of “trademark exhaustion”. This means that when the brand owner sells a product through its subsidiary companies (ie. with the consent of the owner) in any territories which bear the same trademark, his trademark rights are said to have exhausted, and he has no right to ban others from reselling or using the product.

In the case of *Winthrop Products Inc & Anor (“Panadol case”)*, the plaintiff and the defendant were subsidiaries of the same Sterling group of companies and when the defendant bought the pills in United Kingdom, the plaintiff was deemed to have impliedly consented to the importation of the products. The court held that there is no prohibition against the defendants importing the painkiller into Malaysia unless there is a contractual restriction.

Conversely, in the High Court case of *Re PT Garudafood Putra Puri Jaya TBK [2019]*, the Court relied on Section 35 of the TMA 1976 which stated that only the registered proprietor has the exclusive right to use the trademark in Malaysia to the exclusion of all others. As a result, the Court held that the products which were sold in Malaysia contained false trade description and that such products were brought into Malaysia through unauthorized parallel importation and would constitute unfair business competition.

Despite the opposing perspectives in these precedent cases, the defence of parallel importation in Section 40(1) will take precedence over the general exclusive right granted to a registered proprietor under section 35(1) of the TMA 1976 if they fit within either the exception in Section 40 (1)(d) or (dd) TMA 1976.



Position of parallel importation under the new TMA 2019

Under the new TMA 2019, the corresponding provision to Section 40(1)(dd) of the TMA 1976 is stated in Section 55(3)(c) of the TMA 2019. However, the Section 40(1)(d) of the TMA 1976 is not incorporated under the new TMA 2019. This raises the concern of whether the legal position of parallel importation in Malaysia will change.



The recent Malaysia Federal Court decision dated 3 June 2022 in Guangzhou Light Industry & Trade Ltd & 2 Ors vs Lintas Superstore Sdn Bhd is helpful in shedding some light on this issue. In this case, the products were labelled “to be sold in China only” which has imposed territorial restrictions on the products and also the defendant was neither an existing customer of the plaintiff nor a known exporter/distributor of the products for the consent to be implied or deemed.

The facts of this case are different from the Winthrop case where there were no territorial restriction on the exportation of the product and neither were there evidence of any conditional sale of the product and (2) knowledge on the part of the plaintiffs that defendant is an existing customer of theirs and an exporter of the goods so the court can infer there were implied consent to reselling.



On top of that, the court in this case also take into consideration the “material differences standard” approach adopted in Re PT Garudafood Putra Putri Jaya TBK and ruled that the defence of parallel importation cannot be invoked when the infringing products in the export market are materially different in content, quality and packaging from the goods authorized for sale within domestic market as that would create confusion amongst the consumers and would constitute trademark infringement.

The Court found that trademark infringement and passing off had occurred in this case.

Conclusion

The latest ruling in the case of Guangzhou Light Industry & Trade Ltd & 2 Ors vs Lintas Superstore Sdn Bhd appears that Court has taken a relatively cautious and restrictive approach in accessing the applicability of the defence of parallel importation in the event of dispute compared to previously regarded as widely permissible in Malaysia. The deciding factors on the legality of the parallel importation would largely depend on the facts and circumstances of every case.

Business owners are advised to evaluate each dealing carefully to avoid falling into illegal activities which would result in huge losses to the company. Should you need any professional advice on the above issues or other Trademark related matters, please contact Pintas IP today.



PROVISIONAL PATENT APPLICATION UPDATES IN PHILIPPINES



According to the Patent Act 1994 that was amended according to the initial Patent Act 1952, innovators were allowed to file for a provisional patent application. The provisional patent application process provides potential patent holders with a plethora of advantages which includes the following

- Provisional patent applications allow you to secure your intellectual property rights by securing an earlier priority filing date;
- Provisional patent applications are simpler and more cost effective to file as compared to non-provisional ones;
- Products and marketing material may be accompanied with a “patent pending” before committing to a patent application from the provisional patent application while considering its financial prospects;
- The provisional patent application safeguards your idea while you are working on the details for a non-provisional application;
- The public, including competitors, may be notified of your provisional patent application, indicating that you are working on a patent application.

However, under the current Intellectual Property (IP) code by the International Patent Office of the Philippines (IPOPHL), there is no such thing as a provisional patent. Nevertheless, lawmakers in the Philippines are taking steps to progress towards the passage of a bill that may modernise the country’s IP protection, deemed the “New Intellectual Property Act,” which provides for an amended IP code of the Philippines. Upon enactment of the proposed bill, one of the few major changes on patents include the allowance of filing provisional patent applications.

Prior to this, an inventor or applicant may only submit filing for a regular patent application, commonly referred to as a non-provisional patent application. This form of application is typically filed and examined at the patent offices, eventually maturing into a patent once approved. Contrasting a regular patent application, what is a provisional patent application?

Provisional Patent Application

Filing for a provisional patent application may be a first step for many towards obtaining a formal patent. Since the provisional patent application does not require examination upon filing, the cost for the provisional patent application is significantly less than a regular patent application, and is simpler. Nevertheless, in order for the provisional patent application to mature into a formal patent, the applicant must file for a non-provisional patent application within 12 months upon filing the provisional patent application.



The provisional patent application may contain a provisional description of an invention, at least one provisional claim, drawings and sequence listings. Further, the provisional patent application will not be automatically withdrawn or abandoned after 12 months, and cannot be subjected to revival should the applicant wishes to file the non-provisional patent application based off of said provisional patent application.

Several countries allow for provisional patent applications such as the United States (US) and Australia. In the US, provisional patent applications were created to place US investors on par with foreign investors. Every now and then, foreign investors may file their patents within their home countries firstly before filing in the United States, hence claiming priority to their home country application. This further solidifies the fact that foreign investors' will get an additional year of patent protection. This sort of advantage is the main factor that is being brought up in the proposed law with respect to filing of provisional patent applications.

Despite the advantages of the provisional patent applications, there are several limitations or drawbacks associated with it, in which every applicant or inventor should be aware of. One of the filing date requirements for a provisional patent application is the submission of a provisional description of the invention, which is important to note that the provisional patent applications require a certain degree of disclosure in order to fulfil the requirements of said applications. Applicants will have to be cautious and wary to not include any trade secret, confidential or sensitive information within the provisional patent application. While relatively inexpensive to file the provisional patent application, they do not reduce the cost of preparing and filing regular patent applications thereafter. In contrast, the total cost for filing a regular patent application after a provisional patent application may increase later on.

Conclusion

Generally, filing for a provisional patent application has both its advantages and disadvantages. It is important for inventors or applicants to consider the appropriateness of filing a provisional patent application in respect to their invention. It remains to be seen how Philippines will eventually appreciate the prospects of a provisional patent application, but only time will tell when the proposed law is formally enacted and implemented.

If you are an individual or an entity looking to file provisional patent applications in countries such as the United States and Australia, we highly recommend consulting an experienced IP firm for advice in conducting said application. Filing a provisional patent application may be intimidating for first time inventors and/or innovators. Nevertheless, the Pintas team will be able to assist you from the early stages of the provisional patent application to the formal patent application. Do reach out to us if you have further enquiries.

VIETNAM STEPPING UP ITS GAME BY INTRODUCING 11 REMARKABLE CHANGES TO ITS TRADEMARK LAWS

Vietnam Stepping Up its Game by Introducing 11 Remarkable Changes to its Trademark Laws



Trademark as all business practitioners know is a form or medium of protection for every business owner's brand that indicate its ownership and it serves as commercial indications of goods and services of that business owners and trademark without doubt certainly plays major role in economic scene of every country. Vietnam in order to promote growth in its economic scene locally and internationally, has introduced 11 significant changes to its trademark laws. National Assembly of Vietnam on 16th June 2022 has passed the Third Amendment to the 2005 IP Law and this has replaced both the 2009 First Amendment to the 2005 IP Law and the 2019 Second Amendment.

*(For the purpose of this article, we will refer the Third Amendment to the 2005 IP Law which is recently passed by the National Assembly of Vietnam as **"2022 IP Law"** for reading convenience.)*

1. Well-known Mark

Article 4.20 of IP Law of Vietnam ("IP Law"). has introduced a new definition of "well-known trademark". A well-known trademark means the trademark is widely known by the relevant sectors of the public in the territory of Vietnam. This new definition is modified not only to satisfy provisions on protection of well-known trademarks imposed on the international agreements signed up by Vietnam but also to fulfil the eight criteria for recognition of well-known marks discussed under Article 75 of the IP Law. To further understand the definition of well-known mark, it is best if we discuss the 8 criteria as mentioned here. The 8 criteria of well-known marks can be seen as follows:-



The 2022 IP Law further adds that the recognition of a trademark as well-known trademark shall be determined on several or all of the 8 criteria mentioned above and the point of time when the earlier trademark has become well-known or famous shall take place before the filing date of an applied-for trademark.

2. Sound Marks are Registrable but with a Condition

The new 2022 IP Law is very interesting as the National Assembly of Vietnam decided to add sound marks to be registrable only when if the sound marks have the same distinctiveness as visible signs. This is discussed further in Article 72.1 of the IP Law, *"trademark is a visible sign in the form of letters, words, pictures, figures, including three-dimensional shapes or a combination thereof, represented in one or more colors or is a sound sign represented in graphical representation."*

The keyword here is the sound sign shall be represented in graphic. Thus, to apply for registration of a sound mark, the reproduction of an applied-for mark required an audio file along with a graphical representation of such sound.

3. Grounds of Refusal of 3D (Three-dimensional) Trademarks are Added

One of the notable importance in 2022 IP Law is when the new law includes grounds for refusal of registration applicable to 3D marks. This is because, a 3D mark solely contains of a three-dimensional shape that are spontaneously arising from the goods or merely consist of the shape of the commodity necessary for obtaining their technical effects thus making the 3D mark to be excluded from protection and registration. Not only that the 3D mark contains shape of the commodity to be deemed as lack of distinctive character, but the generic configuration of the goods, or the common configuration of the packaging which has been used continuously before its filing date shall be considered as non-distinctive and therefore is not registrable.

4. Zombie Trademark Conflict

Earlier expired trademark that is used as ground for refusal of later filed trademark is known as zombie trademark. The new 2022 IP Law has introduced a new time limit for preventing the later filed trademark from protection which is shortened to 3 years instead of 5 years under the old law. Therefore, one of the significances is a trademark applied for registration must be refused if it is identical with or confusingly similar to another person's trademark which has been registered whereby the registration certificate of which has been expired for no more than 3 years.

5. Provisional Suspension of Trademark Examination

Previously, the old law did not allow any suspension of examination. However, the new 2022 IP Law introduced that the law allows for applicants to file a request to suspend examination of such rejected trademark so that the applicant may proceed to invalidate any previous trademarks. This is such a notable change as it gives a right to the applicant to ensure that their application is fairly examined.

6. Provisions on Complaints and Settlements are Introduced

Vietnam has further introduced Article 119a whereby it discusses on complaints and settlement of complaints in industrial property procedures such as applications for establishment of rights, renewal, amendment, termination of validity, or cancellation of validity of trademark registration. However, it is important to note that only those who have direct interest and rights to the trademarks are allowed to initiate lawsuits or complain. It is worthy to note that the time for re-examination in this clause, or the time for amendment and supplementation, are not included in the time limit for the settlement.

7. Two Mediums are Introduced for Trademark Opposition

This probably the most important change in the IP Law whereby not only third party's written opinion is used as a reference source for examining a trademark application, but the Vietnam National Assembly seek to develop an additional mechanism to oppose the trademark application as an independent new opposition procedure. Here, it gives liberty towards any third party to file an opposition to a trademark application within 5 months since the publication date of the application.

8. Additional Legal Grounds are Introduced to Oppose Trademarks due to "Bad Faith"

Vietnam in 2022 IP Law legalizes the act of "bad faith" as legal ground to allow a third party opposing a trademark application. In addition to that, 2022 IP Law highlights other legal grounds to refuse protection of marks such as applicant's lack of right to register, trademark registration application has been revised or modified which has changed the nature of originally filed trademark, or two identical or similar trademarks applying for registration filed by 2 different entities and both have met the requirements for protection but the 2 entities could not come into consensus to withdraw either one of those applications.

9. More Legal Grounds to Terminate Validity or to Cancel Validity of trademarks

Vietnam really stepped up their game by strengthening their laws in introducing another 2 grounds for termination of validity of a registered trademark in the 2022 IP Law. The grounds are firstly, such registered trademark has become the common name of goods or services bearing the mark, and secondly, the use of protected trademark for goods or services by the owner of the mark mislead the consumers as to the nature, quality or geographical origin of such goods or services.

10. New Definitions of Use of Trademark and Parallel Import

The new 2022 IP Law defines acts of selling, offering for sale, advertising, displaying, storing for sale, transporting goods bearing a protected trademark as one of the acts of use of a trademark.

The new law further states that the act of parallel import includes the circulation, importation and exploitation of the utility of a product has been put into the market including foreign market by the owner or its licensee, and this includes the transfer of right to use or whoever has the right of prior use.

11. Counterfeit Trademark Goods

National Assembly of Vietnam in the 2022 IP Law has expanded the scope of determining acts of production and sale of counterfeit trademark goods, specifically acts of forging stamps and labels containing signs identical or similar to the extent that it is difficult to distinguish from the registered trademark used for the same item bearing the mark without the consent of the owner.

In conclusion, it can be seen in the points above that Vietnam has expanded its scope in the definition of trademarks, the introduction of new marks and at the same time strengthen its legal process by adding more legal grounds and pleas to give even more protection to the registered trademarks.

THAILAND: DEPARTMENT OF SPECIAL INVESTIGATION (DSI) MORE CAPABLE TO ASSIST VULNERABLE INTELLECTUAL PROPERTY (IP) OWNERS.



Delighting news for intellectual property (IP) owners in Thailand. Following the amendments announced by the Board of Special Cases on June 9, 2022, the minimum threshold of market value of IP infringing goods has been lowered from THB 10 million to THB 5 million. The Department of Special Investigations (DSI) officers are now given authority to handle IP matters, such as trademark, patent and copyrights infringement cases at a lower threshold. This notification issued by the Board is definitely beneficial to those IP owners whom facing illegal infringements but were helpless and unable to seek for DSI assistance due to the unnecessarily high threshold bar set by the obsoleted regulations.

DSI FUNCTIONS AND JURISDICTIONS

The Department of Special Investigation (DSI) is a ministerial department under Ministry of Justice, Thailand. The department operates independently from the Royal Thai Police, It has great competence and a wide range of expertise in investigating complex criminal cases. It has a proven track record of cracking IP infringement cases which the offenders involved in manufacturing, purchasing, selling IP infringement goods or offenders enthralled in illegal distribution facilities, warehouses etc.



CONCLUSION

It is a resounding victory for IP owners in Thailand indeed. Although intellectual property are intangible assets, it is still crucial and must be given the same value of protection as tangible property. The policy and regulations amendments inclined towards IP owners are always welcomed.

In PINTAS, we always believe that intellectual property (IP) rights are the most valuable asset of your businesses. Our professional team are ready to serve you in the most effective and efficient way. If you have any IP related inquiry, please do not hesitate to consult us.

UPCOMING EVENT 2022





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Our Speaker : Mr. Lok Choon Hong
Managing Director of Pintas IP Group

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24 March 2022
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29 September 2022
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META IP@CASE STUDY
2 June 2022
(2p.m. to 3p.m.)



IKEA IP@CASE STUDY
24 November 2022
(2p.m. to 3p.m.)



SAMSUNG IP@CASE STUDY
28 July 2022
(2p.m. to 3p.m.)



APPLE IP@CASE STUDY
26 January 2023
(2p.m. to 3p.m.)

For more enquiries, contact us at :

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DRAFTING OF PATENT CLAIMS AND STATEMENT OF INVENTION



Objective

- Introduction to the different forms of Intellectual Property Rights and its function
- Understanding the fundamental of patent
- Identifying patentable features of an invention
- Determining important points and scope of protection to prepare statement of invention/claim
- Understanding infringement for broad protection of invention in claim drafting



Course Content

Module 1: Fundamentals of Patent for Researchers

Learn How to Identify Patentable Features and Draft Statement of Invention

- Overview of the Nature and Functions of Intellectual Property Rights
- Patents and Drafting of Patent Claims & Statement of Invention

Module 2: Drafting of Patent Claims & Statement of Invention

- Introduction to Patent Claims & Statement
- Practical Guide for Drafting Statement of Invention & Claims
- Workshop on the drafting of Patent Claim & Statement of Invention

-Exercise in identifying patent features, essential features & optional features



Target Group

CEO/CTO/ Head of Department for R&D center/ Technology Division /Engineers/ Scientists/ Inventors/ Innovators/Creators

Type of Programme:
Practical

Skills Area:
Intellectual Property

Duration:
7 hours (1-day training)

Training Methodology:
Online & In-house

Course Fee(Package A):
RM6,000
(Inclusive of training material)

Course Fee(Package B):
RM1300/pax(In-house)
RM 700/pax (Online)
(Inclusive of training material)

Customized Patent Drafting Workshop:

100% HRDF Claimable with case studies included.

Customized Patent Search Workshop:

100% HRDF Claimable with case studies included.



PATENT SEARCH & ANALYSIS USING PATENT BIG DATA



Objective

- What is the different forms of Intellectual Property rights and their functions
- What to prepare for Patent Application
- How to do Patent Search using Free Database (keywords, classification etc)
- How to analyse search results to determine patentability of inventions and identify what aspects of the invention to be modified



Course Content

Module 1: Fundamentals of Patent for Researchers :

Learn How To Identify Patentable Features and Draft Statement of Invention

- Overview of the Nature and Functions of Intellectual Property Rights
- Patents and Information
- Requirements of Patent including patentability of inventions

Module 2: Patent Search and Analysis Using Patent Big Data

- Introduction to Patent Search
- Functions of Patent Database
- Patent Search Workshop



Target Group

CEO/CTO/ Head of Department for R&D center/ Technology Division /Engineers/ Scientists/ Inventors/ Innovators/Creators

Type of Programme:
Practical

Skills Area:
Intellectual Property

Duration:
7 hours (1-day training)

Training Methodology:
Online & In-house

Course Fee(Package A):
RM6,000
(Inclusive of training material)

Course Fee(Package B):
RM1300/pax(In-house)
RM 700/pax (Online)
(Inclusive of training material)

SUMMARY OF 2021 IP WEBINARS



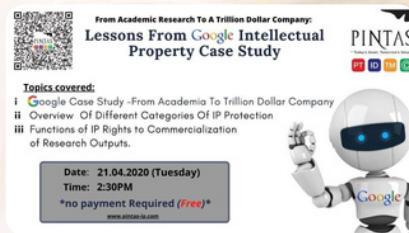
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6 Must-Do-Steps To Create Your IP Assets From Your Idea



3 Main Methods To Value Your IP Assets: Uncovering Your Hidden Value



5 Steps To Keep Your IP Assets Out Of Trouble



Five Steps to Assert and Enforce Your IP Rights

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